

AR38

Canadian
Pacific
Investments
Limited

Proceedings
at the
Annual Meeting
of Shareholders
Monday,
April 27, 1970

Le Château
Champlain
Place du Canada
Montreal
Canada

Canadian Pacific Investments Limited
Montreal, Canada

The following is a summary of the business transacted at the Annual Meeting of Shareholders held at Montreal, Canada, on April 27, 1970.

Mr. N. R. Crump, Chairman of the Company, presided at the meeting and Mr. J. C. Ames, Secretary of the Company, acted as secretary.

After notice of the meeting had been read and Report of scrutineers as to a quorum had been received, the Chairman declared the meeting to be regularly called and properly constituted for the transaction of business.

Statements containing particulars of sale and purchase transactions in securities of the Company and its subsidiaries by directors, officers and shareholders controlling more than 10% of the voting rights were tabled, as required by Section 8 (2) of the Canada Corporations Act.

Minutes of the last Annual Meeting of Shareholders held on April 28, 1969 were confirmed.

The Auditors' Report to the Shareholders having been read and reading of the Report of the Directors for 1969 having been dispensed with, the President, The Hon. Duff Roblin, P.C., addressed the meeting as set out in this booklet, beginning at page 3. Following his address the Report of the Directors, accompanying Consolidated Financial Statements and the Auditors' Report thereon for the year ended December 31, 1969, were approved.

The following were duly elected as Directors of the Company to hold office until the next Annual Meeting of Shareholders:

Mr. A. Arbuckle
Mr. M. Campbell
Mr. R. Crump
Mr. Hendricks
Mr. E. Nixon
Mr. M. Pickard
The Hon. Duff Roblin, P.C.
Mr. D. Sinclair
Mr. J. van den Berg

Price Waterhouse & Co. were appointed Auditors for the ensuing year and the Board of Directors was authorized to fix the remuneration to be paid to the Auditors.

The meeting then terminated.

After the shareholders' meeting, the Directors met and elected Officers of the Company and the Executive Committee as follows:

Officers of the Company

N. R. Crump, Chairman of the Company and
Chief Executive Officer

Hon. Duff Roblin, P.C., President

Ian D. Sinclair, Vice-President

H. M. Pickard, Executive Vice-President

G. J. van den Berg, Vice-President, Investments

The Executive Committee

W. A. Arbuckle

A. M. Campbell

N. R. Crump

Hon. Duff Roblin, P.C.

Ian D. Sinclair

Canadian Pacific Investments Limited

Report for the six months ended June 30, 1970

To the Shareholders:

Consolidated income before extraordinary items for the six months ended June 30 was \$22.0 million in 1970, equal to 39¢ per common share, compared with \$19.9 million, or 35¢ per common share, in 1969. Including extraordinary items, net income for the period amounted to \$22.0 million in 1970, equal to 39¢ per common share, and in 1969 to \$24.2 million, or 43¢ per common share.


The regular half-yearly dividend on the 4¾% preferred stock was paid on May 1, and a dividend of 23¢ per share on the common stock, the same amount as for each half of 1969, was paid on July 22.

Net income from operations was \$1.5 million less than in the first six months of 1969. Without exception, gross revenues of the operating subsidiaries were higher. However, labour disputes and increased labour and material costs — together with additional interest expense, some of which pertains to acquisitions made for future development — accounted for lower net earnings. Investment income was up marginally.

Equity in income of Cominco Ltd. and other subsidiaries not consolidated increased \$3.6 million. The substantial improvement in earnings reported by Cominco was attributed mainly to higher lead and zinc prices. Cominco estimates that earnings for the last half of 1970 will not exceed those of the first half.

Early in June Central-Del Rio Oils announced completion of a large gas discovery near Calgary. The well, in which Central-Del Rio holds a 75% working interest, is now on stream. On July 1 Pacific Logging sold its operations in the interior of British Columbia in order to confine its activities to Vancouver Island and the coast areas of British Columbia. Consistent with the objective of increasing investment in Canadian natural resource industries, a further \$5.4 million was invested in the common shares of The Great Lakes Paper Company Limited during the first half of 1970.

The Board of Directors approved the filing with various securities commissions in Canada of a preliminary prospectus for an issue of debentures by Canadian Pacific Securities Limited to be guaranteed by CPI.



President

Chairman and Chief Executive Officer

Montreal, August 6, 1970.

Report for the six months ended June 30, 1970

Statement of Consolidated Income

Oil, gas and other minerals
Timberlands and related facilities
Real estate and related operations
Hotels and restaurants
Financing
Investment income

Net income from operations (after income taxes of —
1970 — \$5,486,000; 1969 — \$7,065,000)

Equity in income of subsidiaries not consolidated in
excess of dividends included above

Consolidated income before extraordinary items

Extraordinary items

Consolidated net income

Per common share after preferred dividends

Consolidated income before extraordinary items
Consolidated net income

Statement of Consolidated Source and Application of Funds

Source of Funds

Funds from operations*
Sale of investments (cost)
Capital stock issued
Increase in long term debt
Proceeds from disposal of properties
Decrease in working capital

Application of Funds

Additions to investments
Additions to properties
Dividends declared
Sundries (net)

Canadian Pacific Investments Limited

Subject to audit

Figures in thousands,
except amounts per share

() denotes loss

1970	1969
\$ 6,163*	\$ 6,873
1,249	1,958
786	808
202	442
72	136
11,192	10,956

*after minority interest

Extraordinary items in 1969 comprise gain on disposal of investments (net) \$2,617,000; and equity in gains by Cominco Ltd. on sales of land and mining investment \$1,648,000.

19,664 21,173

2,333 (1,262)

21,997 19,911

— 4,265

\$21,997 \$24,176

39¢ 35¢
39¢ 43¢

1970	1969
\$32,130	\$32,285
12,513	8,837
4	31
29,988	16,946
242	1,488
3,276	13,521
\$78,153	\$73,108

*Net income before equity in income of partly-owned subsidiary companies (in excess of dividends received), depreciation, depletion, amortization, deferred income taxes and minority interest in income of subsidiary.

\$21,613	\$31,099
38,646	26,899
13,876	13,880
4,018	1,230
\$78,153	\$73,108

AR38

Canadian Pacific Investments Limited

Semestre clos le 30 juin 1970

Rapport aux actionnaires

Les bénéfices nets consolidés du semestre terminé le 30 juin s'établissent en 1970 à \$22 millions, soit 39 cents par action ordinaire, au regard de \$19.9 millions ou 35 cents par action ordinaire en 1969. Compte tenu des revenus exceptionnels, les bénéfices nets du semestre restent, en 1970, de \$22 millions, soit de 39 cents par action ordinaire, mais en 1969 ils étaient de \$24.2 millions, soit de 43 cents par action ordinaire.

Comme en 1969, le dividende semestriel des actions privilégiées au taux de 4¾ % a été versé le 1^{er} mai et un dividende de 23 cents a été servi aux porteurs d'actions ordinaires le 22 juillet.

Le profit net d'exploitation est en baisse de \$1.5 million par rapport à celui du semestre correspondant de 1969. Toutes nos filiales exploitantes accusent une augmentation de leurs recettes brutes. Le fléchissement des bénéfices est donc attribuable aux conflits ouvriers et à la hausse des frais de main-d'oeuvre et de matériaux de même qu'à l'accroissement des charges financières, dont certaines résultent d'acquisitions de propriétés qui seront mises en valeur ultérieurement. Le revenu des placements n'a que très faiblement augmenté.

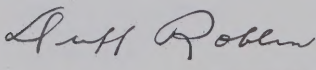
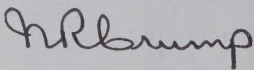
Notre quote-part des bénéfices non répartis de Cominco et des autres filiales non consolidées marque une augmentation de \$3.6 millions. La montée des gains de Cominco est surtout attribuable à la hausse des cours du plomb et du zinc. Cette filiale estime que ses gains du deuxième semestre de 1970 ne dépasseront pas ceux du premier.

Au début de juin, Central-Del Rio annonçait l'achèvement de travaux d'exploration qui avaient abouti à d'importantes découvertes de gaz dans la région de Calgary. Le puits, à l'exploitation duquel Central-Del Rio participe pour 75%, est entré en production. Le 1^{er} juillet, Pacific Logging vendait ses installations du centre de la Colombie-Britannique pour concentrer son activité sur l'île de Vancouver et sur les régions côtières. Poursuivant sa politique de participation accrue à l'exploitation des ressources naturelles, CPI a augmenté de \$5.4 millions sa participation au capital-actions de la Great Lakes Paper Company Limited.

Le conseil d'administration a autorisé le dépôt d'un prospectus aux commissions des valeurs mobilières du Canada en vue d'une émission d'obligations de Canadian Pacific Securities Limited qui sera garantie par CPI.

Le président,

Le président du conseil et
chef de la direction,

Montréal, le 6 août 1970.

Text of address by the President, The Hon. Duff Roblin, P.C., to the Annual Meeting of Shareholders at Montreal, Canada, April 27, 1970.

This eighth annual meeting of Canadian Pacific Investments Limited provides me with my first occasion to welcome you here on behalf of the Directors of the Company. I am sure that both you and they would want me at the outset to offer an expression of appreciation and good wishes to Mr. Fred V. Stone. Mr. Stone's leadership during his period as President of CPI combined in a unique fashion the qualities of imagination and prudence that not only challenged his colleagues to match but were reflected as well in the sound and solid progress of the organization. I would also like to draw your attention to the presence on the Board of Mr. H. M. Pickard, Executive Vice-President of the Company. His knowledge of the Company's affairs will be of great assistance.

Turning to the business before us, the annual report for 1969 records a year of progress despite the unsettled economic conditions in the country. This trend has continued into the first quarter of 1970. Subject to audit, the total consolidated net income of CPI for the first three months was \$12.5 million compared to \$10.0 million for the first quarter of 1969. This is an increase of \$2.5 million. After provision for dividends on preferred shares, net income is equal to 22 cents per common share, compared to 17 cents per common share last year. Within this amount, however, the results for individual operations present a mixed picture. Results reported from timberlands and real estate operations are higher; gas, oil and other minerals are holding reasonably steady while hotels are somewhat lower. The first quarter results for Cominco Ltd. showed a significant improvement and in addition there is a modest gain in investment income. The report for the first quarter is being released to the press today and will be mailed to the shareholders along with the report of the proceedings of this meeting.

Now may I give a more detailed report on our major activities:

Oil, Gas and Other Minerals

As part of the pooling of interests of Central-Del Rio Oils Limited and Canadian Pacific Oil and Gas Limited that took place last year, the management and staff of the two companies have now been effectively integrated. We believe that the talents thus combined will enable us to improve the results of the operation. A strong demand for natural gas continued and average daily production for the first quarter has been at the rate of approximately 190 million cubic feet, an increase of 5.6 per cent over the previous year. Production of oil during the first three months of 1970 averaged some 29,000 barrels per day, an increase of 19 per cent. Despite the recent announcement of restrictions on the import of Canadian oil in the U.S., we remain optimistic about the future of that trade. Our particular mix of production may indeed shield us somewhat from the full restrictive effect that will be felt by the Canadian industry as a whole.

Panarctic's gas discoveries on Melville Island would no doubt have been rated as a major find if situated in a more accessible location. Thus we are reminded at once of both the

special problems of transportation in the Canadian Arctic and also of the important prospective nature of our activities there. Our coal interests in Western Canada continue to increase in importance. The Fording River coal property is on schedule for production in 1972. There, 45 million tons valued at over \$650 million will be produced on a 15-year contract. Our reserves of coal have been estimated to be over 400 million tons and ways and means for the future development of this important asset are now in hand.

Total earnings for Oil, Gas and Other Minerals for the first quarter amounted to \$3.7 million compared to \$3.9 million in the previous year. Although sales were up, the net return was affected by higher interest and depletion expenses, lower sulphur prices and reduced lease rental income. However, with favourable markets existing for natural gas and with the important new gas discoveries having been made at Jumping Pound and Ukalta in Alberta, we expect that earnings from this source will be maintained.

Timberlands

Favourable weather conditions during the first quarter of 1970 permitted a high rate of logging activity on lands owned by Pacific Logging. Sales of logs from the B.C. coastal properties during the period were markedly higher than the first quarter of last year. In spite of a continuation of soft market prices and some increase in costs, earnings from Timberlands and related facilities amounted to \$878,000 in the first quarter, an increase of \$184,000 over 1969.

Arrangements have recently been completed for the sale of the lumber mill operation at Slocan in the interior of British Columbia. This sale will enable the company to concentrate on its more promising operations.

The outlook for the remainder of 1970 for Pacific Logging appears unsettled with the possibility of serious work stoppages within the forest industry and persisting poor market conditions. It is unlikely, therefore, that the first quarter momentum can be maintained or that 1970 results as a whole will easily attain the levels realized last year.

Real Estate and Related Operations

The activities of Marathon Realty during the first quarter of the year were directed mainly to the development of its committed projects. Among these, construction of Mount Royal House apartment building adjoining Palliser Square in Calgary progresses and leasing of the facilities is proceeding satisfactorily. Following settlement of complex legal and financial matters, work has begun on Canada Square, the first phase of the Project 200 waterfront development in Vancouver. Plans provide for the construction of a plaza area above the existing railway facilities and a 28-storey office tower with related commercial space and restaurants overlooking Burrard Inlet. Completion is scheduled for May 1972 and pre-construction leasing is going well. Together with our partners and in cooperation with governments we are making progress in solving the initial problems connected with Metro Centre, Toronto. We are hopeful of making a start on the physical aspect of this development within the year.

Earnings from Real Estate and Related Operations for the first three months of 1970 amounted to \$527,000, an increase of \$127,000 over the same period last year. Despite the adverse economic conditions affecting real estate activities generally at present, some improvement in the earnings from this division is anticipated for the remainder of the year.

Hotels and Restaurants

Business activity of CP Hotels and Restaurants during the first quarter of 1970 showed a decline from the previous year. This, added to rising interest and operating expenses, resulted in the Hotels recording a loss of \$175,000 in the first quarter of 1970 compared with a profit of \$123,000 in the first three months of 1969. Prospects for the second and third quarters appear somewhat better with an aggressive program of sales promotions directed at both Canadian and U.S. markets. We can be reasonably optimistic in anticipating better results for the remainder of the year.

Financing

During March of this year Canadian Pacific Securities Limited offered for sale a \$25 million sinking fund debenture issue to mature in 1990. The issue was well received by the market. The proceeds are being used to fund part of the short term borrowings of that company.

Cominco

The results of Cominco for the first quarter of 1970 showed net earnings of \$8.9 million compared to \$5.1 million for the same period in 1969. This substantial improvement is primarily the result of higher metal prices compared to the average for the same period last year and the improved earnings of Pine Point Mines Ltd.

CPI's equity in the income of subsidiary companies not consolidated, including Cominco, amounted to \$5.0 million in the first quarter of 1970 compared to \$2.2 million for the same period of 1969.

Investment Portfolio

Since the end of the year, the Company sold a major portion of its Investors Group holding thereby reducing our interest in investment portfolio holdings not directly related to our main interests and activities. During the quarter additional purchases of Great Lakes Paper stock were made, increasing our percentage ownership in that company to 46 per cent.

Outlook

Ordinarily the improvement in the first quarter returns which I have now reported would lead to a forecast that 1970 would result in a modest increase over 1969 for CPI. Let us trust that this will be the case.

But an unusual combination of unknown and uncertain factors make a prediction about the future more than usually difficult. The results of the government's anti-inflationary policy and particularly its effect on the pace of the economy,

coupled with the threat of strikes in industries to which we are sensitive, are factors impossible to assess at the present time. In addition, in the last few days the government of Saskatchewan enacted a Bill increasing mineral rights taxation which our legal advisors are now considering. If effective, our mineral rights taxes would significantly increase.

For the longer term the White Paper on Taxation now before us also looms large. The new tax proposals put forward by the government will undoubtedly reduce materially the incentives now open to Canadians investing in the development of natural resources. This we fear may result in the transfer of some existing Canadian investments in natural resources to foreign hands and will make it more difficult and expensive to obtain capital for the development of Canadian natural resources from any source. The effect of such a development on the outlying regions of Canada has implications for national unity which deserve the most careful consideration.

We are also concerned about other aspects of the White Paper. We would like to see changes in the proposed application of the capital gains tax. We are concerned that the broader base in the proposed new tax structure will be used, at least in part, by the government to increase its share of the Gross National Product. No allowance seems to have been made for the coordination of the proposed changes with the needs and policies of the provinces. The proposed substitution of a creditable tax concept in place of the present dividend tax credit as a means of tax integration has secondary effects which further dilute the present incentives designed to stimulate modernization, research and new developments in natural resources. All in all, the proposals have an important cumulative adverse effect on economic growth and productivity.

It is fortunate that the government is permitting a full discussion of the proposals before implementing them and that the House and Senate Committees are engaged in studying them. Canadian Pacific will submit its views to these Committees and we are hopeful that changes will be made when the full impact of the White Paper proposals becomes clear.

I have no doubt however that this Company, like the nation, will find its way around the obstacles that present themselves, difficult though they may be, and that when in the future we look back on the decade of the seventies as today we look back on the decade of the sixties, we will be found to have surpassed our expectations. And in all this present confusion of opportunity and challenge I can think of no Company better placed to succeed than this one. To this end the people of this Company, the staff and directors alike, dedicate their best efforts.

MAR 31 1970
MAR 1970

Notice of Annual Meeting of Shareholders

The Annual Meeting of the Shareholders of Canadian Pacific Investments Limited will be held on Monday, April 27th, 1970, at Le Château Champlain, Place du Canada, Montreal, at 11:00 A.M. (daylight saving time, if operative), for the following purposes:

- a. to receive and, if deemed fit, approve the Report of the Directors, accompanying Consolidated Financial Statements and Report of the Auditors thereon, for the year ended December 31st, 1969;
- b. to elect Directors;
- c. to appoint Auditors and to authorize the Board of Directors to fix their remuneration; and
- d. to transact such other business as may properly come before the meeting.

By order of the Board,
J. C. Ames, Secretary.

Montreal, March 6th, 1970.

Note: If you are unable to attend the meeting in person, please complete and return the enclosed form of proxy.

Information Circular

Solicitation of Proxies

This Information Circular is furnished in connection with the solicitation by Management of Canadian Pacific Investments Limited of proxies for use at the Annual Meeting of Shareholders of the Company to be held on Monday, April 27th, 1970 at Le Château Champlain, Place du Canada, Montreal, Quebec, and at all adjournments thereof. The total cost of solicitation will be borne by the Company.

Appointment and Revocation of Proxies

Every Shareholder is entitled to give one vote for each share held by him at all meetings of Shareholders of the Company and such vote may be given in person or by proxy whether or not such proxy is himself a Shareholder.

The persons named in the enclosed form of proxy are Directors of the Company. A SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON TO REPRESENT HIM AT THE MEETING MAY DO SO BY INSERTING SUCH PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY AND BY STRIKING OUT THE PRINTED NAMES AND INITIALLING THE CHANGE.

A Shareholder giving the instrument of proxy may revoke the same at any time for all subsequent purposes for which the same shall have been given.

Exercise of Discretion by Proxies

Shares represented by the accompanying proxy hereby solicited by Management will be voted and where a choice has been specified in respect of matters for which a choice is provided in the form of proxy the shares will, subject to exception provided by law, be voted in accordance with such specification. IN THE ABSENCE OF SUCH SPECIFICATION SUCH SHARES WILL BE VOTED "FOR".

SHARES REPRESENTED BY THE PROXY HEREBY SOLICITED BY MANAGEMENT WILL ALSO BE VOTED IN FAVOUR OF THE ELECTION OF DIRECTORS AND THE APPOINTMENT OF AUDITORS AS STATED UNDER THOSE HEADINGS IN THIS CIRCULAR.

The enclosed form of proxy also confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the notice of meeting, and with respect to other matters which may properly come before the meeting. At the time of printing this

circular, the Management of the Company knows of no such amendments, variations or other matters to come before the meeting other than the matters referred to in the notice of meeting.

Voting Shares

On December 31st, 1969, the Company had outstanding 50,077,538 Common Shares without nominal or par value, each carrying one vote, and 4,964,046 4¾% Cumulative Redeemable Convertible Voting Preferred Shares, Series A, each carrying one vote. As at December 31st, 1969; Canadian Pacific Railway Company owned 50,000,000 Common Shares representing 90.84% of the outstanding equity shares of the Company carrying voting rights. The holders of Preferred Shares as a class are entitled to elect two Directors in the event dividends on the Preferred Shares of any series become in arrears to the extent of four semi-annual dividends and until such time as all arrears have been paid. Such circumstances have not arisen.

The holders of shares of record at the time of the Annual Meeting will be entitled to vote such shares at the meeting.

Election of Directors

The by-laws of the Company provide that the Board of Directors shall consist of nine Directors. Each Director elected will hold office until the next Annual Meeting of Shareholders and until his successor is duly elected. The persons listed below will retire as Directors at the forthcoming Annual Meeting on April 27th, 1970 and they are eligible and will be nominated for re-election. The Management does not contemplate that any of the nominees will be unable to serve as a Director but, if that should occur for any reason prior to the meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. Information, as of January 16th, 1970, as to the nine nominees is set out below:

Names of Directors and Offices held in Company	Date on which present term of office expires	Principal occupation or employment	Director since	Equity Securities of Canadian Pacific Investments Limited or its subsidiaries beneficially owned
*W. A. Arbuckle	April 27, 1970	Chairman of the Canadian Board, The Standard Life Assurance Company, Montreal.	1964	2,750 C.P. Investments Limited Pfd. Shares, Series A and 2,750 Share Purchase Warrants 1,000 Cominco Ltd. Common Shares
*A. M. Campbell	April 27, 1970	President, Sun Life Assurance Company of Canada, Montreal.	1962	2,500 C.P. Investments Limited Pfd. Shares, Series A and 2,500 Share Purchase Warrants
*N. R. Crump, Chairman and Chief Executive Officer	April 27, 1970	Chairman of the Company, Canadian Pacific Railway Company, Montreal.	1962	5,000 C.P. Investments Limited Pfd. Shares, Series A 225 Cominco Ltd. Common Shares
R. Hendricks	April 27, 1970	President and Chief Executive Officer, Cominco Ltd., Montreal. engaged in the business of mining, metals, chemicals, and fertilizers	1967	400 C.P. Investments Limited Pfd. Shares, Series A and 400 Share Purchase Warrants 1,000 Cominco Ltd. Common Shares
S. E. Nixon	April 27, 1970	Vice-Chairman, Dominion Securities Corporation Limited, Montreal. engaged in the investment field	1962	1,000 C.P. Investments Limited Pfd. Shares, Series A and 1,000 Share Purchase Warrants 100 Cominco Ltd. Common Shares
H. M. Pickard, Executive Vice-President	April 27, 1970	Executive Vice-President, Canadian Pacific Investments Limited, Calgary.	1970	1,700 C.P. Investments Limited Pfd. Shares, Series A 1 Central-Del Rio Oils Limited Common Share
*The Hon. Duff Roblin, P.C., President	April 27, 1970	President, Canadian Pacific Investments Limited, Montreal.	1967	200 C.P. Investments Limited Pfd. Shares, Series A 200 Cominco Ltd. Common Shares
*Ian D. Sinclair, Vice-President	April 27, 1970	President and Chief Executive Officer, Canadian Pacific Railway Company, Montreal.	1962	15,000 C.P. Investments Limited Pfd. Shares, Series A 100 Cominco Ltd. Common Shares 50 Central-Del Rio Oils Limited Common Shares
G. J. van den Berg, Vice-President, Investments	April 27, 1970	Vice-President, Finance, Canadian Pacific Railway Company, Montreal.	1964	5,100 C.P. Investments Limited Pfd. Shares, Series A and 100 Share Purchase Warrants

* Member of Executive Committee

Mr. H. M. Pickard was, successively, Vice-President and President, Marathon Realty Company Limited, between 1964 and 1970 and Vice-President, Operations, Canadian Pacific Investments Limited, between 1967 and 1970.

Remuneration of Directors and Senior Officers

The aggregate remuneration paid by the Company and its subsidiaries whose financial statements are consolidated with those of the Parent Company to the Directors and Senior Officers of the Company during 1969 amounted to \$219,500.00. The aggregate remuneration paid by subsidiaries of the Company whose financial statements are not consolidated with those of the Parent Company to the Directors and Senior Officers of the Company during 1969 amounted to \$147,487.71. The estimated aggregate cost to the Company and its subsidiaries in 1969 of all pension benefits to be paid under pension plans in the event of retirement at normal retirement age of Directors or Senior Officers of the Company was \$12,240.00.

Transactions of Material Interest

Canadian Pacific Investments Limited

During the year 1969 Canadian Pacific Investments Limited subscribed for an additional 687,836 shares, at \$10.00 per share, of the Capital Stock of Marathon Realty Company Limited, a wholly-owned subsidiary.

In August 1969 Canadian Pacific Oil and Gas Limited by dividend transferred to Canadian Pacific Investments Limited its share holdings in Central-Del Rio Oils Limited. On October 16, 1969 Canadian Pacific Investments Limited exchanged all of the outstanding shares of Canadian Pacific Oil and Gas Limited for 23,708,000 shares of Central-Del Rio Oils Limited bringing the Canadian Pacific Investments Limited ownership in Central-Del Rio Oils Limited to 89.3%.

Canadian Pacific Investments Limited has undertaken to arrange the financing of Fording Coal Limited, a recently incorporated Company, in which Canadian Pacific Investments Limited has a 60% interest and Cominco Ltd. a 40% interest. During 1969 Canadian Pacific Investments Limited made advances to Fording Coal Limited totalling \$1,537,000, which will be used as equity contribution.

Fording Coal Limited has negotiated bank loans of \$50,000,000 (U.S.) which Canadian Pacific Investments Limited and Cominco Ltd. have agreed to guarantee to the extent of their respective interests in Fording Coal Limited. Fording Coal Limited is presently negotiating with the Export-Import Bank of the United States for a loan of \$10,000,000 (U.S.), which loan will be similarly guaranteed.

Canadian Pacific Investments Limited has undertaken to guarantee the debt obligations of its wholly-owned subsidiary, Canadian Pacific Securities Limited, up to an amount fixed by the Board of Directors. At December 31, 1969, the total amount so guaranteed was approximately \$197,900,000, of which \$15,000,000 was in respect of a 1968 transaction.

Canadian Pacific Securities Limited

Loans of Canadian Pacific Securities Limited to associate or affiliate companies of Canadian Pacific Investments Limited made during the calendar year 1969 included the following:

Canadian Pacific Air Lines, Limited	\$ 6,500,000
Marathon Realty Company Limited	\$19,395,000
Marathon Aviation Terminals Limited	\$ 1,185,000
Manar Properties	\$ 6,698,000
Project 200 Investments Limited	\$ 1,080,000
Summerlea Industrial Park Limited	\$ 314,000

CanPac Minerals Limited

CanPac Minerals Limited was incorporated during 1969 as a wholly-owned subsidiary of Canadian Pacific Oil and Gas Limited and certain coal licences and other non-oil and gas mineral properties were transferred by Canadian Pacific Oil and Gas Limited to CanPac Minerals Limited in exchange for shares in the latter Company. CanPac Minerals Limited has entered into an agreement with Fording Coal Limited whereby Fording Coal Limited will develop certain coal properties in British Columbia.

In September 1969 Canadian Pacific Oil and Gas Limited by dividend transferred to Canadian Pacific Investments Limited its shareholdings in CanPac Minerals Limited.

Pacific Logging Company Limited

During the year 1969 Pacific Logging Company Limited, a wholly-owned subsidiary of Canadian Pacific Investments Limited, purchased from The Esquimalt and Nanaimo Railway Company, a wholly-owned subsidiary of Canadian Pacific Railway Company, timberlands on Vancouver Island for \$12.9 million, exclusive of severance tax.

Transactions of
Material Interest
(Cont'd.)

Marathon Realty Company Limited

Marathon Realty Company Limited has undertaken to guarantee certain obligations of subsidiary companies and companies in which it holds a substantial interest and the total amount so guaranteed during 1969 was approximately \$11,458,000.

Appointment of Auditors

Price Waterhouse & Co. have served as Auditors of the Company since January 31st, 1964 and will be nominated for reappointment to the office of Auditors of the Company for the term expiring with the Annual Meeting of Shareholders in 1971 at a remuneration to be fixed by the Board of Directors.

CanPac Minerals, constituée en 1969, est une filiale en toute propriété de Canadian Pacific Oil and Gas Limited et certaines concessions minières furent cédées à CanPac Minerals par Canadian Pacific Oil and Gas en échange d'actions de CanPac. Cette société a conclu un accord avec Fording Coal Limited aux termes duquel Fording Coal exploitera certaines mines de charbon en Colombie-Britannique.

En septembre 1969, Canadian Pacific Oil and Gas a cédé en dividende à Canadian Pacific Investments sa participation dans CanPac Minerals.

Pacific Logging Company Limited

Pendant l'année 1969, Pacific Logging Company, filiale en toute propriété de Canadian Pacific Investments, a acheté \$12.9 millions de forêts (taxe à la production non comprise) dans l'île de Vancouver à The Esquimalt and Nanaimo Railway Company, filiale en toute propriété de Canadian Pacific Railway Company.

Marathon Realty Company Limited

Marathon Realty Company garantit certains engagements financiers de filiales et de sociétés dans lesquelles elle possède une participation importante. Le montant total ainsi garanti en 1969 s'élevait approximativement à \$11 458 000.

Désignation des vérificateurs

Price Waterhouse & Co. ont été les vérificateurs de la Compagnie depuis le 31 janvier 1964 et la reconduction de leurs fonctions sera proposée pour la période allant jusqu'à l'assemblée générale des actionnaires de 1971, à une rémunération fixée par le conseil d'administration.

Membres du conseil et postes occupés dans la compagnie	Date d'expiration du mandat	Occupation principale	Date d'élection au conseil	Participation bénéficiaire au capital social de Canadian Pacific Investments Limited ou de ses filiales
--	--------------------------------	-----------------------	-------------------------------	--

G. J. van den Berg	27 avril 1970	Vice-président, finances Canadian Pacific Railway Company	1964	5100 actions privilégiées, série A, et 100 warrants de C.P. Investments Limited.
* Membre du comité exécutif		M. H. M. Pickard a été vice-président et président de Marathon Realty Company Limited de 1964 à 1970, puis vice-président, exploitation, de Canadian Pacific Investments Limited de 1967 à 1970.		

Rémunération des membres
du conseil d'administration
et de la haute direction

L'ensemble des rémunérations que la Compagnie et les filiales dont les résultats financiers sont
consolidés avec ceux de la société mère ont versé en 1969 aux membres du conseil d'adminis-
tration et de la haute direction de la Compagnie s'élève à \$219 500. L'ensemble des rémunérations
que les filiales dont les résultats financiers ne sont pas consolidés avec ceux de la société mère
ont versé en 1969 aux membres du conseil d'administration et de la haute direction de la
Compagnie s'élève à \$147 487,71. La constitution des pensions qui seront versées aux membres
du conseil d'administration et de la haute direction de la Compagnie au moment de leur retraite à
l'âge normal, a représenté en 1969 une charge estimative de \$12 240 pour la Compagnie et ses
filiales.

Opérations financières importantes

Canadian Pacific Investments Limited

Au cours de l'exercice 1969, Canadian Pacific Investments a acheté 687 836 actions à \$10 l'action
du capital-actions de Marathon Realty Company Limited, filiale en toute propriété.

En août 1969, Canadian Pacific Oil and Gas Limited a cédé en dividende à Canadian Pacific
Investments ses actions de Central-Del Rio Oil Limited. Le 16 octobre 1969, Canadian Pacific
Investments a cédé toutes les actions de Canadian Pacific Oil and Gas Limited contre 23 708 000
actions de Central-Del Rio Oil Limited, portant ainsi à 89,3% sa participation dans Central-Del Rio
Oils.

Canadian Pacific Investments a concouru au financement de Fording Coal Limited, société nouvel-
lement constituée dans laquelle Canadian Pacific Investments possède une participation de 60% et
Cominco, une participation de 40%. Au cours de l'exercice 1969, Canadian Pacific Investments a
avancé à Fording Coal une somme totale de \$1 537 000 qui constitue un apport en capital.

Fording Coal a obtenu des prêts bancaires de 50 000 000 de dollars U.S. que Canadian Pacific
Investments et Cominco ont garantis proportionnellement à leur participation respective dans la
Fording Coal. Cette société négocie actuellement avec la Banque d'import-export des Etats-Unis
un emprunt de 10 000 000 de dollars U.S. qui sera garanti de la même façon.

Canadian Pacific Investments a décidé de garantir la dette de sa filiale en toute propriété, Canadian
Pacific Securities Limited, jusqu'à concurrence d'un plafond fixé par le conseil d'administration. Au
31 décembre 1969, le montant total ainsi garanti était approximativement de \$197 900 000 dont
\$15 000 000 au titre de 1968.

Canadian Pacific Securities Limited

Parmi les prêts consentis en 1969 aux sociétés associées ou affiliées à Canadian Pacific Invest-
ments par Canadian Pacific Securities, on relève les opérations suivantes:

Canadian Pacific Air Lines, Limited	\$ 6 500 000
Marathon Realty Company Limited	\$19 395 000
Marathon Aviation Terminals Limited	\$ 1 185 000
Manar Properties	\$ 6 698 000
Project 200 Investments Limited	\$ 1 080 000
Summerlea Industrial Park Limited	\$ 314 000

Actions avec droit de vote

Au 31 décembre 1969, la Compagnie avait en circulation 50 077 538 actions ordinaires sans valeur nominale ou au pair donnant droit à une voix chacune et 4 964 046 actions privilégiées rachetables et convertibles à dividende cumulatif de 4 3/4%, série A, donnant droit à une voix chacune; et Canadian Pacific Railway Company possédait 90,84% des actions ordinaires, soit 50 000 000. Dans l'hypothèse où le paiement des dividendes des actions privilégiées des différentes séries est en retard de quatre versements semestriels et jusqu'à ce que la totalité de l'arriéré ait été réglée, les détenteurs d'actions privilégiées peuvent élire deux membres du conseil d'administration. Ce cas ne s'est pas encore produit.

Les actionnaires inscrits à la date de l'assemblée générale sont autorisés à voter à cette assemblée. Selon les statuts de la Compagnie, le conseil d'administration compte neuf membres. Une fois élus, les membres du conseil d'administration restent en fonction jusqu'à la prochaine assemblée générale et jusqu'à ce que leur successeur soit régulièrement élu. Les personnes dont les noms suivent voient leur mandat s'achever à l'assemblée générale du 27 avril 1970 et, comme elles sont rééligibles, leur réélection sera proposée. La direction estime que les candidats sont dignes d'occuper les fonctions de membre du conseil d'administration mais s'ils en devenaient incapables avant l'assemblée générale, pour quelque raison que ce soit, les titulaires de la procuration se réservent le droit de voter pour un autre candidat de leur choix. Voici les renseignements, en notre possession au 16 janvier 1970, sur les neuf candidats au renouvellement du conseil d'administration:

Election des membres du conseil d'administration

Membres du conseil et postes occupés dans la compagnie	Date d'expiration du mandat	Occupation principale	Date d'élection au conseil	Participation bénéficiaire au capital social de Canadian Pacific Investments Limited ou de ses filiales
--	--------------------------------	-----------------------	-------------------------------	--

* W. A. Arbuckle	27 avril 1970	Président du conseil canadien Compagnie d'assurance-vie Standard Life, Montréal	1964	2750 actions privilégiées, série A, et 2750 warrants de C.P. Investments Limited. 1000 actions ordinaires de Cominco Ltée.
* A. M. Campbell	27 avril 1970	Président, Sun Life du Canada Compagnie d'assurance-vie, Montréal	1962	2500 actions privilégiées, série A, et 2500 warrants de C.P. Investments Limited.
* N. R. Crump et chef de la direction Président du conseil	27 avril 1970	Président du conseil Canadian Pacific Railway Company Montréal	1962	5000 actions privilégiées, série A, de C.P. Investments Limited. 225 actions ordinaires de Cominco Ltée.
R. Hendricks	27 avril 1970	Président et chef de la direction Cominco Ltée, Montréal (mines, métallurgie, produits chimiques, engrais)	1967	400 actions privilégiées, série A, et 400 warrants de C.P. Investments Limited. 1000 actions ordinaires de Cominco Ltée.
S. E. Nixon	27 avril 1970	Vice-président du conseil Dominion Securities Corporation Limited, Montréal (agents de change)	1962	1000 actions privilégiées, série A, et 1000 warrants de C.P. Investments Limited. 100 actions ordinaires de Cominco Ltée.
H. M. Pickard Vice-président, direction	27 avril 1970	Vice-président, direction Canadian Pacific Investments Limited, Calgary	1970	1700 actions privilégiées, série A, de C.P. Investments Limited. 1 action ordinaire de Central-Del Rio Oils Limited.
* L'hon. Duff Roblin, C.P. Président	27 avril 1970	Président, Canadian Pacific Investments Limited, Montréal	1967	200 actions privilégiées, série A, de C.P. Investments Limited. 200 actions ordinaires de Cominco Ltée.
* Ian D. Sinclair Vice-président	27 avril 1970	Président et chef de la direction Canadian Pacific Railway Company Montréal	1962	15000 actions privilégiées, série A, de C.P. Investments Limited. 100 actions ordinaires de Cominco Ltée. 50 actions ordinaires de Central-Del Rio Oils Ltd.

Avis aux actionnaires

L'assemblée générale annuelle des actionnaires de Canadian Pacific Investments Limited se tiendra le lundi 27 avril 1970 au Château Champlain, Place du Canada, Montréal, à 11 heures (heure locale), pour traiter les questions suivantes:

a. Examen et mise au vote du rapport du conseil d'administration, ainsi que des états financiers consolidés accompagnés du rapport des vérificateurs pour l'exercice clos le 31 décembre 1969;

b. Election des membres du conseil d'administration;

c. Nomination des vérificateurs et autorisation du conseil d'administration de fixer leur rémunération;

d. Débat sur toute question dont l'assemblée peut normalement être saisie.

Par ordre du conseil d'administration,

Le secrétaire,

J. C. Ames

Montréal, le 6 mars 1970

N.B. S'il vous est impossible d'assister à l'assemblée générale, veuillez remplir la formule de procuration ci-jointe et la renvoyer.

Circulaire d'information

La présente circulaire accompagne la demande de procuration de la direction de CANADIAN PACIFIC INVESTMENTS LIMITED pour l'assemblée générale annuelle des actionnaires qui se tiendra le lundi 27 avril 1970 au Château Champlain, Place du Canada, Montréal, et à toutes prorogations de celle-ci. Les frais de cette demande sont à la charge de la Compagnie.

À toutes les assemblées générales, les actionnaires disposent d'une voix par action et peuvent voter en personne ou par procuration, que le mandataire soit ou non actionnaire de la Compagnie.

Les noms qui figurent sur la formule de procuration sont ceux de membres du conseil d'administration de la Compagnie. L'ACTIONNAIRE QUI DÉSIRE MANDATER QUELQU'UN D'AUTRE PEUT LE FAIRE EN INDICANT LE NOM DU MANDATAIRE DE SON CHOIX DANS L'ESPACE LAISSÉ EN BLANC DANS LE TEXTE DE LA PROCURATION, EN RAYANT LES AUTRES NOMS ET EN INSCRIVANT SES INITIALES EN REGARD.

La procuration est toujours révocable et elle perd toute validité à compter de la révocation.

Les droits de vote que confère la procuration demandée par la direction seront exercés et, lorsque le mandant aura indiqué un choix dans la procuration, le mandataire sera tenu de s'y conformer, sous réserve des exceptions prévues par la loi. EN L'ABSENCE DE TOUTE INDICATION, LE MANDATAIRE VOTE EN FAVEUR DE LA PROPOSITION.

LA PROCURATION DEMANDÉE PAR LA DIRECTION SERVIRA ÉGALEMENT À VOTER POUR L'ÉLECTION DES MEMBRES DU CONSEIL D'ADMINISTRATION ET POUR LA NOMINATION DES VÉRIFICATEURS SELON LES INDICATIONS DE LA PRÉSENTE CIRCULAIRE.

La procuration donne également au mandataire pouvoir de se prononcer sur les modifications ou amendements apportés aux questions à l'ordre du jour, ainsi que sur les autres questions dont l'assemblée générale peut normalement être saisie. Au moment de mettre sous presse, la direction de la Compagnie n'a connaissance d'aucun amendement ou modification dont l'assemblée pourrait être saisie, ni de question qui ne soit prévue à l'ordre du jour.